



# APPRAISAL BULLETIN

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## A.P.H.A. METHOD OF APPRAISING HOUSING STRUCTURES

**L**AST month we briefly discussed the American Public Health Association's program and reasons for measuring the quality of housing and neighborhoods. The appraisal methods they use are quite detailed and consist basically of a system of penalty points assessed against various housing and neighborhood characteristics which they consider to be detrimental to health, safety, or general amenities. This bulletin will discuss the major factors the A. P. H. A. considers in evaluating the quality of the housing structure.

As we pointed out last month, we believe that the basic thoughts behind this program and its appraisal methods are good. Minimum housing standard ordinances and/or proper zoning and enforcement are necessary to halt the spread of blight and deterioration of urban property values in all of our cities. This legislation has its most practical application in blighted areas in order to keep these areas from becoming slums. For this reason those of us in the appraisal and real estate field should be interested in seeing that realistic ordinances are adopted and that they are justly enforced.

Naturally there are many members of the appraisal and real estate professions who may oppose the A. P. H. A. program\* and the appraisal methods they recommend. The fact remains, however, that the program stands an excellent chance of gaining momentum. For this reason appraisers and real estate men are eventually going to have to cope with it in one form or another. Moreover, a substantial part of the A. P. H. A. appraisal techniques is very well thought out and in some cases offers reasonably precise methods of measuring certain housing deficiencies. There is also the possibility that some of the methods can be adapted to help the residential appraiser. So, whether you like it or not, or whether you agree with the program or not, you should know about it.

The appraisal items considered by the A. P. H. A. for evaluating the quality of housing facilities are divided into three main groups: 1. those dealing with the actual housing facility; 2. those dealing with the maintenance of the facility; and 3. those dealing with the occupancy of the facility.

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\*Actually the A. P. H. A. does not make the surveys. They have simply devised the methods and techniques for the surveys that are being carried out by various cities.

A. Facilities. The first six items deal with the characteristics of the structure as a whole.

1. The first item considered in appraising the housing facility is whether or not the structure has normal access from a street. If there is no direct access, the property is penalized.

2. The water supply to the structure is judged on the basis of whether it comes from a municipal source, an approved private source or from a disapproved private source. Naturally, the heaviest penalty is assessed against those structures with a water supply from a disapproved source. If the source is particularly bad, it is considered a basic deficiency.

3. Sewer connections to the structure are considered on the basis of whether the structures are connected to the public sewer, to a septic tank or cesspool, or whether there are any sewer connections at all. Naturally, the heaviest penalty is assessed against those structures with no sewer connections at all, or those whose connections are disapproved by the public health department. Here, again, a heavy penalty against the sewer connections will cause them to be considered basically deficient.

4. Daylight obstruction is not considered a basic deficiency, and in some cities such as those where row houses are prevalent may be eliminated from the penalty scores entirely.

5. Stairs and fire escapes are considered in order to evaluate the adequacy of the means of getting out of a multifamily building. While inadequacy does not cause the entire structure to be penalized, a penalty is made against those units within the structure that have inadequate egress (see item 13). Local characteristics of dwelling units are considered by those making the survey. Moreover, the penalty points are considerably reduced when evaluating fireproof buildings.

6. Public hall lighting is scored on the basis of whether there is adequate lighting during all times. The severest penalties are for those halls where there are no artificial lights and inadequate daylight.

The following items are those used to judge the quality of living units within the structure:

7. Location of dwelling unit within the structure may be penalized if the unit is in a basement or on a fourth floor (or higher) in a building without an elevator. Here, again, the penalties are not made against the building - they are only made against the poorly located unit.

8. Kitchen facilities. The penalties are made against any kitchen that lacks an installed sink, an installed range and installed refrigerator. Penalties are also made for "sharing" kitchen facilities.

9. Toilet facilities. If toilet facilities are located outside or if they have to be shared, the structure is penalized. Heaviest penalties are assessed against structures with no toilet facilities or where three or more families share an outside frostproof toilet. This factor is also considered a basic deficiency when heavily penalized.

10. Bath. Bathing facilities are scored pretty much the same as are the toilet facilities, only the penalties are not so severe. Naturally, the heaviest penalties are made against structures with no bathing facilities - next heaviest against those where the bath must be shared. This is also considered a basic deficiency when penalty score is high.

11. Water supply within the structure. This item deals with convenience and availability of the water supply to the individual units rather than with the safety and reliability of the water supply to the structure. The heaviest penalty is for those units with no running water, while the next heaviest penalties are for those units with no hot running water in the unit. No running water is considered a basic deficiency.

12. Washing facilities. The penalties for this item are highest if there is no wash basin in the unit and no laundry tubs on the premises. A kitchen sink is not considered as part of the washing facilities.

13. Dual egress. Any dwelling unit that lacks two separate safe means of egress at the ground level is penalized. Highest penalties are for those units located on the third floor or higher with but a single means of egress. The A.P.H.A. points out that rooming units must have two means of egress from every room in order to escape a basic deficiency. They go on to say that the requirements may be relaxed in fireproof buildings, but that few fireproof buildings are found in the areas where these surveys are usually conducted.

14. Electric lighting. No electricity in the structure is considered a basic deficiency.

15. Central heating. The penalties for lack of central heat are surprisingly low. The A.P.H.A. feels that unit heaters properly distributed are for the most part entirely adequate.

16. Rooms lacking installed heaters. The penalty score for this item depends upon the proportion of rooms without installed heaters. Fireplaces, radiators, heating and cooking stoves are considered installed heaters, provided they are in working condition and are properly connected and vented. This item is considered a basic deficiency only when all rooms in a small (one- to four-room) unit are without heaters or when three-fourths of a larger unit (five rooms or more) is without heaters. In warmer parts of the country the requirements are relaxed.



17. Rooms lacking windows. Generally speaking, if any room within a dwelling unit lacks a window it is considered a basic deficiency and rather heavily penalized.

18. Rooms lacking closet space. Heaviest penalties for this inconvenience go to those units where three-fourths or more of the rooms lack a closet.

19. Rooms of substandard area. After arriving at a rather involved set of minimum standards for rooms of various types, the A.P.H.A. makes the sensible observation that "Even this latter condition (rooms of substandard area) is not charged as a basic deficiency because overcrowding can be avoided by under-occupancy."

We believe that most appraisers consider all of these items (either consciously or subconsciously) when making a residential appraisal. Deficiencies in some of these items are deducted for by the appraiser when estimating the reproduction cost of the building. Other deficiencies are considered by the appraiser when estimating the rent schedule. Not all of the items are given as much importance by the appraiser as they are given by the A.P.H.A. For example, A.P.H.A. considers a kitchen basically deficient unless it has a stove, sink and refrigerator. So, too, would the occupant of the unit. However, there are millions of perfectly good rental units scattered throughout the country occupied by tenants that have their own refrigerators and stoves. These units will rent for a little less than will those more fully equipped, but from an investment, construction or evaluation standpoint they are not basically deficient because they lack a "furnished stove" and "furnished refrigerator."

B. Maintenance of the facility. In attempting to set up standards whereby the maintenance of a housing structure can be measured, the A.P.H.A. uses five separate indexes. The first is the "toilet condition index." In compiling this index the A.P.H.A. has considered three factors: 1. whether or not there is artificial light in the toilet room; 2. whether or not there is a window or ventilating duct in the toilet room; and 3. whether or not there is something specifically wrong with the toilet mechanism or fixture.

Their second maintenance index is called the "deterioration index." In compiling this index the A.P.H.A. realized that general information would be worse than useless. They also realized that unless the field workers were given minute specifications whereby to judge specific types of deterioration, the results would be totally inconclusive. Therefore, they divided deterioration into four specific types. They consider one type to be manifested by a hole entirely through the thickness of a surface. Another type of deterioration is where there is no hole but the surface is worn. Still another type is where the surface is broken or cracked all the way through and the fourth type is where the surface is warped, settled, shaky, bulged, etc. These four types of deterioration deal with any surface, and are graded into three distinct stages. The various stages for all types of surfaces are completely illustrated in the field manual used by the field

worker, and the condition of each building component is separately checked and recorded. This index carries a maximum of 50 penalty points (higher than any other factor) and when the score reaches 15 points or higher, the unit is termed basically deficient.

The third index used to indicate maintenance (or lack thereof) is the "infestation index." This index deals primarily with the lack of maintenance that allows rats to enter the structure. Only a small penalty score is built up against this item.

The "sanitary index" should probably be called the safety index. This item not only includes penalties for garbage and trash accumulation, but for plumbing leakage, plumbing stoppage, low water pressure, damp walls, hazardous ceilings or floors and hazardous heaters and wiring.

The last index used is the "basement condition" index. This item assesses penalties against leakage, seepage or backflooding, hazardous stairs and other dangers, and against accumulation of combustible materials in the basement.

C. The third factor considered by A. P. H. A. is the occupancy of the facility. It is at this point where we usually fall into disagreement with the various social service groups. No one can deny that occupancy is a necessary part of housing. One cannot exist without the other, but we object strenuously to the implication that something is wrong with a particular structure simply because too many people are living in it. This factor may (or may not) be an indication of greater housing need, but it is a poor basis upon which to judge the quality of a dwelling unit. In our opinion the A. P. H. A. recognizes this when they point out that "overcrowding can be avoided by under-occupancy," and most of us can remember the time when we were very much concerned with under-occupancy.

The method of penalizing and scoring individual structures and units is detailed and relatively precise. Maximum penalty scores for the three divisions are as follows:

1. Facilities . . .	360
2. Maintenance . .	120
3. Occupancy . . .	120
Total . . .	<u>600</u>

Individual penalty scores against any one unit have not exceeded a score of 300. In fact, any area which has dwellings scored at over 75 points is deemed a problem area.

Obviously the results obtained from this type of scoring will give general ratings which must be grouped into various grades of quality. Trouble is encountered when the attempt is made to draw the line to show which structures

can be conserved through law enforcement and which ones must be demolished and replaced. Just as this is a question of degree of substandardness (and a question of practical economics) so is the issue of which blocks and which areas need enforcement or reconstruction (or both) a troublesome one.

To help determine the location and extent of these all-important action programs, the A. P. H. A. method includes an entirely separate analysis based on the quality of the environment. This rating system is intended to give a practical quality rating to the neighborhood environment. Methods used in this environmental appraisal, both realistic and informative, will be explained in a later bulletin.

As we have seen, some of the factors studied by A. P. H. A. appraisal methods are not strictly limited to the structure itself, and for this reason measure deficiencies that cannot actually be termed "housing" deficiencies. Nevertheless, these surveys that are being carried on in several cities will give us a much better picture of our housing inventory than we have ever had before. Furthermore, as we have already pointed out, measurement of housing deficiencies by these methods can form an excellent basis for minimum standard housing ordinances and new zoning laws. It will be the job of the appraisers and real estate men to see that the results of the surveys are evaluated properly and that just and reasonable legislation evolves from them. The A. P. H. A. surveys are a firm step in the right direction, but much damage may be done by the town council, the city commissioners or the board of aldermen.